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09/398,170 09/17/99 NOTANI

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TM02/1016

EXAMINER

ART UNIT	PAPER NUMBER
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2164
DATE MAILED:

10/16/01

Please find below and/or attached an Office communication concerning this application or proceeding.

Commissioner of Patents and Trademarks

Office Action Summary

Application No.
09/398,170

Applicant(s)
Notani

Examiner
KANOF

Art Unit
2164



-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE three MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136 (a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on Jul 3, 2001
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-37 is/are pending in the application.
- 4a) Of the above, claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-37 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claims _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are objected to by the Examiner.
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. § 119

- 13) ☐ Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d).
- a) ☐ All b) ☐ Some* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- *See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).

Attachment(s)

- 15) ☐ Notice of References Cited (PTO-892) 18) ☐ Interview Summary (PTO-413) Paper No(s). _____
- 16) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948) 19) ☐ Notice of Informal Patent Application (PTO-152)
- 17) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s). _____ 20) ☐ Other:

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DETAILED ACTION

Response to Amendments

1. This correspondence is in response to the amendments filed 7/3/2001.
2. Applicants' arguments filed on July 3, 2001 have been fully considered, and discussed below or within the following rejection under 35 U. S. C. 103 are not deemed to be persuasive. Therefore, claims 1-37 are rejected under 35 U. S. C. 103 as being unpatentable over the art cited below, and Applicant's request for allowance is respectfully denied.

Claim Rejections - 35 USC § 103

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claims 1-37 are rejected under 35 U.S.C. 103(a) as being unpatentable over Schmidt (EP 0 770 967 A2) in view of John Downes and Jordan Elliot Goodman, Dictionary of Finance and Investment Terms, Barron's Publisher, 1995 (Dictionary).

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Claims 1, 19 and 28: The invention regarding a method of buying in a supply chain, wherein the contract is an option contract. Schmidt discloses the invention substantially as claimed, including a method of optimizing multi-enterprise supply chain, a buyer system, and a seller system, comprising:

determining at a buyer computer a range of forecasted demand for a product (Page 3, line 25 - page 4, line 8).

However, Schmidt does not explicitly disclose communicating from the buyer computer to a seller computer an offer to enter into an option contract for the supply of a product, the option contract including an option corresponding to the range of forecasted demand; executing the option contract; updating at the buyer computer the forecasted demand; and exercising the option in the option contract within the range of forecasted demand based on the updated forecasted demand. Dictionary discloses:

OPTION

In general: right to buy or sell property that is granted in exchange for an agreed upon sum. If the right is not exercised after a specified period, the option expires and the option buyer forfeits the money. *See also* EXERCISE (Page 390, lines 1-5), and

EXERCISE make use of a right available in a contract. In options trading a buyer of a call contract may exercise the right to buy underlying shares at a particular price by informing the option seller. A put buyer's right is exercised when the underlying shares are sold at the agreed-upon price (Page 173, lines 9-13).

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Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include the steps of communicating from the buyer computer to a seller computer an offer to enter into an option contract for the supply of a product, the option contract including an option corresponding to the range of forecasted demand; executing the option contract; updating at the buyer computer the forecasted demand; and exercising the option in the option contract within the range of forecasted demand based on the updated forecasted demand. One would have been motivated to include such steps in order to be able to make profit of the market's opportunity.

Claims 2, 3, 20, 21, 29 and 30: Schmidt and Dictionary disclose a method of optimizing a multi-enterprise supply chain, a buyer system, and a seller system as discussed above in Claims 1, 19 and 28. Schmidt, in addition, discloses when the option comprises a range of parameters and a plurality of range of parameters each selected from a group consisting of:

- a minimum quantity of a product that the buyer is obligated to purchase, and a maximum quantity of the product that the seller is obligated to supply;

- a minimum number of product types that the buyer is obligated to purchase, and

- a maximum number of product types that the seller is obligated to supply; and a minimum number and a maximum number of locations where a product must be delivered (Page 7, line 56 - page 8, line 3 and Page 26, lines 23-45).

Claim 4: Schmidt and Dictionary disclose a method of optimizing a multi-enterprise supply chain, a buyer system, and a seller system as discussed above in Claim 1. However,

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Schmidt does not disclose wherein the option contract includes an exercise period comprising a period of time after the execution of the option contract during which the buyer must exercise its option. Dictionary discloses:

“**EXERCISE NOTICE** notification by a broker that a client wants to exercise a right to buy the underlying stock in an option contract. Such notice is transmitted to the option seller through the Options Clearing Corporation, which ensures that stock is delivered as agreed upon” (Page 73, lines 17-20).

Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include an exercise period comprising a period of time after the execution of the option contract during which the buyer must exercise its option. One would have been motivated to include such a step in order to be able to make profit of the market's opportunity.

Claim 5: Schmidt and Dictionary disclose a method of optimizing a multi-enterprise supply chain as discussed above in Claim 4. Schmidt also discloses wherein exercising the option comprises:

specifying a first quantity of product desired at a first time during the exercise period; specifying a second quantity of product desired at a second time during the exercise period; and wherein the updated forecasted demand comprises the sum of the first and second quantities of product desired (Page 12, lines 15-18).

Claim 6: Schmidt and Dictionary disclose a method of optimizing a multi-enterprise supply chain as discussed above in Claim 1. Schmidt also discloses:

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receiving from the seller computer a modified range of forecasted demand comprising the range of forecasted demand modified by an optimization model at the seller computer; and

accepting the modified range of forecasted demand as a term to the option contract (Page 12, lines 18-22).

Claim 7: Schmidt and Dictionary disclose a method of optimizing a multi-enterprise supply chain as discussed above in Claim 1. Schmidt also disclose:

receiving a proposed contract term from the seller computer;
accessing a memory comprising a range of acceptable contract terms; and
comparing the proposed contract term to the range of acceptable contract terms (Page 21, line 25 - page 22, line 15).

Claim 8: Schmidt and Dictionary disclose a method of optimizing a multi-enterprise supply chain as discussed above in Claim 7. Schmidt also disclose:

determining that the proposed contract term is within the range of acceptable contract terms; and accepting the proposed contract term without user input (Page 23, lines 1-45).

Claim 9: Schmidt and Dictionary disclose a method of optimizing a multi-enterprise supply chain as discussed above in Claim 7. Schmidt also disclose:

determining that the proposed contract term is not within the range of acceptable contract terms; and identifying the proposed contract term as a term requiring user input prior to acceptance (Page 23, line 46- page 24, line 20).

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Claim 10: Schmidt and Dictionary disclose a method of optimizing a in multi-enterprise supply chain as discussed above in Claim 1. However, Schmidt does not explicitly discloses determining at the buyer computer a proposed option price comprising a value of the option to a buyer associated with the buyer computer;

communicating from the buyer computer to the seller computer the proposed option price; and negotiating with the seller computer an agreed option price based on the value of the option to the buyer and a cost of the option to a seller associated with the seller's computer . Dictionary discloses teaches:

“OPTION PRICE market price at which an option contract is trading at any particular time. The price of an option on a stock reflects the fact that it covers 100 shares of a stock....The option price is determined by many factors, including its INTRINSIC VALUE, time to expiration, volatility of the underlying stock, interest rates, dividends, and marketplace adjustments for supply and demand....” (Page 392, lines 33-43).

Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include such steps in the option contract. One would have been motivated to include such steps in order to be able to make profit of the market's opportunity.

Claim 11: Schmidt and Dictionary disclose a method of optimizing a multi-enterprise supply chain as discussed above in Claim 10. However, Schmidt does not explicitly discloses wherein negotiating an agreed option price comprises:

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receiving from the seller computer a modified proposed range of forecasted demand comprising the proposed range of forecasted demand modified by an optimization model at the seller computer;

determining a modified proposed option price based on the modified proposed range of forecasted demand; and

communicating the modified proposed option price to the seller computer. Dictionary disclose such steps as discussed above in Claim 1 and 10. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include such steps in the option contract. One would have been motivated to include such steps in order to be able to make profit of the market's opportunity.

Claim 12: Schmidt and Dictionary disclose a method of optimizing multi-enterprise supply chain agreements using an electronic option contract. However, Schmidt does not explicitly discloses:

receiving at a seller computer terms of an option contract from a buyer computer, the terms comprising an option corresponding to a buyer's range of forecasted demand for a product; communicating to the buyer computer an acceptance of the terms of the option contract; storing the terms of the accepted option contract in a memory accessible to the seller computer;

receiving from the buyer computer a request to exercise the option with the buyer's updated forecasted demand for the product; and

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enforcing the terms of the option contract at the seller computer without user input (Page 25- lines.5-42). Dictionary disclose such steps as discussed above in Claim 1 and 10.

Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include such steps in the option contract. One would have been motivated to include such steps in order to be able to make profit of the market's opportunity.

Claim 13: Schmidt and Dictionary disclose a method of optimizing a multi-enterprise supply chain as discussed above in Claim 12. However, Schmidt does not explicitly discloses that the option comprises a range of parameters selected from a group consisting of:

a minimum quantity of a product that the buyer is obligated to purchase, and a maximum quantity of the product that the seller is obligated to supply;

a minimum number of product types that the buyer is obligated to purchase, and

a maximum number of product types that the seller is obligated to supply; and a minimum number and a maximum number of locations where a product must be delivered. Dictionary discloses such steps (Page 390-393). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include such steps in the option contract. One would have been motivated to include such steps in order to be able to make profit of the market's opportunity.

Claim 14: Schmidt and Dictionary disclose a method of optimizing a multi-enterprise supply chain as discussed above in Claim 12. Schmidt also discloses wherein the option comprises a plurality of ranges of parameters each selected from a group consisting of:

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a minimum quantity of a product that the buyer is obligated to purchase, and a maximum quantity of the product that the seller is obligated to supply;

a minimum number of product types that the buyer is obligated to purchase, and

a maximum number of product types that the seller is obligated to supply; and a minimum number and a maximum number of locations where a product must be delivered (Page 7, line 56-page 8, line 3, and page 26, lines 23-45).

Claim 15: Schmidt and Dictionary disclose a method of optimizing a multi-enterprise supply chain as discussed above in Claim 12. Schmidt also discloses wherein the option contract includes an exercise period comprising a period of time after the execution of the option contract during which the buyer must exercise its option, and wherein enforcing the terms of the option contract comprises:

receiving a request from the buyer computer to exercise the buyer's option comprising an identification of the buyer's exercised level of demand under the contract;

accessing the memory to retrieve the stored contract terms, including an exercise period begin date and an exercise period end date; and comparing a current date to the exercise period begin date and the exercise period end date (Page 26, line 46-page 27, line 20).

Claim 16: Schmidt and Dictionary disclose a method of optimizing a multi-enterprise supply chain as discussed above in Claim 15. Schmidt also discloses:

determining that the exercise period has begun and has not expired; and accepting the buyer computer's request to exercise the buyer's option (Page 27, lines 21-30).

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Claim 17: Schmidt and Dictionary disclose a method of optimizing a multi-enterprise supply chain as discussed above in Claim 16. Schmidt also discloses wherein the buyer computer's request comprises:

- an identification of a first quantity of product desired, and further comprising:
- storing the request for a first quantity of product desired in the memory;
- receiving a subsequent request from the buyer computer to exercise the buyer's option comprising an identification of a second quantity of product desired;
- determining that the exercise period has not yet expired; and
- storing the request for a second quantity of product desired in the memory (Page 27, line 31-page 28, line 14).

Claim 18: Schmidt and Dictionary disclose a method of optimizing a multi-enterprise supply chain as discussed above in Claim 16. However, Schmidt does not explicitly disclose:

- comparing the buyer's exercised demand level to a minimum obligation of the buyer under the contract; and

- determining a penalty if the buyer's minimum obligation level exceeds the buyer's exercised demand level after the expiration of the exercise period. Dictionary discloses such steps as discussed above in claims 1, 4 and 10. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include such steps in the Schmidt's invention. One would have been motivated to include such steps in order to be able to make profit of the market's opportunity.

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Claims 22: Schmidt and Dictionary disclose the invention substantially as claimed, including a method of optimizing a multi-enterprise supply chain, a buyer system, and a seller system as discussed above in Claim 19. However, Schmidt does not explicitly disclose that the option contract includes an exercise period comprising a period of time after the execution of the option contract during which the buyer must exercise its option, and wherein the exercise module is further operable to specify a first quantity of product desired at a first time during the exercise period and to specify a second quantity of product desired at a second time during the exercise period, the buyer's obligation under the option contract comprising the sum of the first and second quantities of product desired. Dictionary discloses such steps as discussed above in claims 1, 4 and 10. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include such steps in the Schmidt's invention. One would have been motivated to include such steps in order to be able to make profit of the market's opportunity.

Claims 23, 33 and 34: Schmidt and Dictionary disclose the invention substantially as claimed, including a method of optimizing multi-enterprise supply chain, a buyer system, and a seller system as discussed above in Claims 19 and 28. Schmidt also disclose wherein the negotiating module is further operable to receive a proposed contract term from the seller computer, access a memory comprising a range of acceptable contract terms, determine that the proposed contract term is within the range of acceptable contract terms, and to accept the proposed contract term without user input (Page 28, line 50-page 29, line 21).

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Claims 24 and 35: Schmidt and Dictionary disclose the invention substantially as claimed, including a method of optimizing multi-enterprise supply chain, a buyer system, and a seller system as discussed above in Claims 19 and 28. Schmidt also disclose wherein the negotiating module is further operable to receive a proposed contract term from the seller computer, access a memory comprising a range of acceptable contract terms, determine that the proposed contract term is not within the range of acceptable contract terms, and to identify the proposed contract term as a term requiring user input prior to acceptance (Page 29, line 29-page 30, line 7).

Claims 25 and 36: Schmidt and Dictionary disclose the invention substantially as claimed, including a method of optimizing multi-enterprise supply chain, a buyer system, and a seller system as discussed above in Claims 19 and 28. Schmidt also disclose comprising an aggregation module operable to compare a buyer's aggregation of parameters with a seller's aggregation of parameters, and to transform at least one of the aggregations of parameters to conform with a common aggregation of parameters (Page 30, lines 9-41).

Claims 26 and 37: Schmidt and Dictionary disclose the invention substantially as claimed, including a method of optimizing multi-enterprise supply chain, a buyer system, and a seller system as discussed above in Claims 19 and 28. Schmidt also disclose comprising an option price module operable to determine a proposed option price comprising a value of the option to a buyer associated with the procurement manger and to communicate the proposed option price to seller computer, and wherein the negotiation module is operable to negotiate with the seller computer

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an agreed option price based on the value of the option to the buyer and a cost of the option to a seller associated with the seller's computer (Page 30, line 42-page 31, line 6).

Claim 27: Schmidt and Dictionary disclose the invention substantially as claimed, including a method of optimizing multi-enterprise supply chain, a buyer system, and a seller system as discussed above in Claim 19. Schmidt also disclose comprising a tracking module operable to store terms of the executed option contract and to track the buyer's fulfillment of its obligations under the option contract (Page 31, lines 7-16).

Claim 31: Schmidt and Dictionary disclose the invention substantially as claimed, including a method of optimizing multi-enterprise supply chain, a buyer system, and a seller system as discussed above in Claim 28. Schmidt also disclose the option contract includes an exercise period during which the buyer must exercise its option, and wherein the option contract comprises a maximum supply quantity that the seller has agreed to supply, and wherein the request to exercise the option comprises a first request for a first quantity of product desired, and wherein the tracking module is operable to store the request in the memory if a current date is within the exercise period and the first quantity is less than or equal to the maximum supply quantity (Page 31, lines 17-37).

Claim 32: Schmidt and Dictionary disclose the invention substantially as claimed, including a method of optimizing multi-enterprise supply chain, a buyer system, and a seller system as discussed above in Claim 31. Schmidt also disclose the request to exercise the option comprises a second request for a second quantity of product desired, and wherein the tracking

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module is operable to store the request in the memory if a current date is within the exercise period and the sum of the first and second quantities is less than or equal to the maximum supply quantity (Page 31, line 39-page 32, line 54).

Response to Arguments

5. Applicant's arguments filed 7/3/2001 have been fully considered but they are not persuasive.

6. First reason. Applicant argues that "...the combination of Schmidt and Dictionary fails to disclose, teach, or suggest all the limitations of Claims 1, 12, 19 and 28..." (Page 3, lines 22 and 23).

Examiner notes that the last Office Action (Paper No. 7, 5/23/01) discussed all the elements of claims 1, 19 and 18, and demonstrated that the combination of Schmidt and Dictionary discloses all the elements of these claims (Page 2, line 17-page 4, line 4).

Second reason. Applicant argues that "...the combination of Schmidt and Dictionary would still not allow the customers and vendors to enter in electronic contracts with one another" (Page 3, lines 7 and 8).

Examiner notes that Schmidt discloses the "Component procurement policy development module" (Abstract, page 1, Col. 1, lines 20 and 21) that allows the customers and vendors to enter in electronic contracts with one another. In addition, Schmidt discloses: "Figure 15 Data

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Space Associations of the Production-sales-inventory Planning frame,...Figure 22 Data Space Associations of the Vendor Managed Replenishment Frame,...Figure 23 Process Flow for the Vendor Managed Replenishment Frame” (Page 4, lines 24-28) and all the terms of the negotiation between customers and vendors in a contract (Page 7, line 56-page 8, line 3, and page 26, lines 23-45). Thus the combination of Schmidt and Dictionary allows the customers and vendors to enter in electronic contracts with one another.

Third reason. Applicant argues that: “...with respect to Claim 1, Schmidt and Dictionary do not disclose, teach, or suggest “communicating from to the buyer computer to the seller computer an offer to enter into an option contract for the supply of a product” or “Executing the option contract” ”(Page 3, lines 11 and 12).

Examiner notes that the last Office Action (Paper No. 7, 5/23/01) discussed all the elements of claim 1, and demonstrated that the combination of Schmidt and Dictionary discloses all the elements of that claim (Page 2, line 17-page 4, line 4).

Applicant also argues that: “with respect to Claim 12, Schmidt and Dictionary do not disclose, teach, or suggest “receiving...terms of an option contract” or “communicating ...an acceptance of the terms of the option contract” ”(Page 3, lines 12-14).

Examiner notes that Schmidt disclose in the paragraphs “VMR Contract Setup” and “Contract Parameter Monitoring and VMR Program Review” (Please, see page 30, line 17-page 31, line 6) receiving terms of an option contract and communicating an acceptance of the terms of the option contract.

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Conclusion

7. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the mailing date of this final action.

8. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Exr. Pedro R. Kanof whose telephone number is (703) 308-9552. The examiner can normally be reached on weekdays from 7:30 a.m. to 4:00 p.m.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Mr. Vincent Millin, can be reached on (703) 308-1065. The fax phone number for this Group is (703) 308-1396.

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Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group receptionist whose telephone number is (703) 305-3900.

PRK- 9/17/2001.



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